

# **Newhope Baptist Church**

## **Financial Statements**

**For the Year Ended 31 December 2018**

**Newhope Baptist Church**

**Contents**

**For the Year Ended 31 December 2018**

|  | Page |
|--|------|
| <b>Financial Statements</b>                                |      |
| Councillors' Report  | 1    |
| Statement of Profit or Loss and Other Comprehensive Income | 3    |
| Statement of Financial Position                            | 4    |
| Statement of Changes in Equity                             | 5    |
| Statement of Cash Flows                                    | 7    |
| Notes to the Financial Statements                          | 8    |
| Councillors' Declaration                                   | 16   |
| Independent Audit Report                                   | 17   |

## Newhope Baptist Church

### Councillors' Report

31 December 2018

The Church Council presents their report, together with the financial statements of the Group, being the Church and its controlled entities, for the financial year ended 31 December 2018.

#### General information

##### Church Council Members

The names of the Church Council members in office at any time during, or since the end of, the year are:

| <b>Names</b>      | <b>Position</b>               | <b>Appointed/Resigned</b> |
|-------------------|-------------------------------|---------------------------|
| Richard Beaumont  | Chairperson                   | Resigned March 2019       |
| Amanda Carruthers |                               |                           |
| Daniel Dang       |                               | Appointed March 2018      |
| Allan Demond      | Senior Pastor - ex officio    |                           |
| John Fearn-Wannan | Church Secretary              | Resigned March 2018       |
| Fiona Haymes      | Chairperson, Church Secretary |                           |
| Bator Martonyi    |                               | Resigned March 2018       |
| Chris Meyers      | Church Secretary              | Appointed March 2018      |
| Joshua Morse      | Finance Director              | Resigned March 2019       |
| Surette Southwood | Executive Pastor – ex officio |                           |
| Tim Worsam        |                               | Resigned March 2019       |
| Andrew Gale       | Finance Director              | Appointed March 2019      |
| Liza Somers       |                               | Appointed March 2019      |
| Tristan Ellett    |                               | Appointed March 2019      |

And on a rotating basis a member of the NewHope Leadership Team:

Lance Blythe  
Danny Hunt

#### Principal activities

The mission of NewHope Baptist Church is to Love God, Love Others and Serve the World. Our vision is to be on MISSION in COMMUNITY following JESUS through the power of the SPIRIT by practicing the DISCIPLINES of BIBLE reading, PRAYER and GIVING. Our activities were centred on the achievement of our mission and vision.

#### Significant changes in state of affairs

No significant changes in the Group's state of affairs occurred during the financial year.

#### Operating results for the year

The consolidated profit of the Group amounted to \$ 32,504 (2017: \$ 270,721).

**Newhope Baptist Church**

**Councillors' Report  
31 December 2018**

**Events after the reporting date**

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Signed in accordance with a resolution of the Board of Directors:

Council Member: .....  
  
Fiona Haymes

Council Member: .....  
  
Surette Southwood

Dated this 6<sup>th</sup> ..... day of MAY ..... 2019

Newhope Baptist Church

**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Year Ended 31 December 2018**

|  | <b>Note</b> | <b>2018</b>        | <b>2017</b>        |
|--|-------------|--------------------|--------------------|
| Revenue  | 4           | 3,122,369          | 3,441,620          |
| <b>Expenses</b>                                      |             |                    |                    |
| NewHope Local expenses                               |             | (2,592,501)        | (2,147,482)        |
| NewHope Global expenses                              |             | (107,437)          | (112,482)          |
| Soccer Club expenses                                 |             | (103,764)          | (114,197)          |
| Cafe Fund expenses                                   |             | (212,663)          | (200,378)          |
| Religious Education Fund expenses                    |             | -                  | (360)              |
| Building Fund expenses                               |             | (73,500)           | (596,000)          |
|  |             | <u>(3,089,865)</u> | <u>(3,170,899)</u> |
| <b>Profit for the year</b>                           |             | <u>32,504</u>      | <u>270,721</u>     |
| <b>Other comprehensive income, net of income tax</b> |             |                    |                    |
| <b>Total comprehensive income for the year</b>       |             | <u>32,504</u>      | <u>270,721</u>     |

The accompanying notes form part of these financial statements.

## Newhope Baptist Church

### Statement of Financial Position

As At 31 December 2018

|                               | Note | 2018              | 2017              |
|-------------------------------|------|-------------------|-------------------|
| <b>ASSETS</b>                 |      |                   |                   |
| CURRENT ASSETS                |      |                   |                   |
| Cash and cash equivalents     | 5    | 225,470           | 174,822           |
| Trade and other receivables   | 6    | 48,455            | 102,352           |
| Inventories                   | 7    | 3,588             | 3,601             |
| TOTAL CURRENT ASSETS          |      | <u>277,513</u>    | <u>280,775</u>    |
| NON-CURRENT ASSETS            |      |                   |                   |
| Property, plant and equipment | 8    | 13,654,190        | 11,362,712        |
| TOTAL NON-CURRENT ASSETS      |      | <u>13,654,190</u> | <u>11,362,712</u> |
| TOTAL ASSETS                  |      | <u>13,931,703</u> | <u>11,643,487</u> |
| <b>LIABILITIES</b>            |      |                   |                   |
| CURRENT LIABILITIES           |      |                   |                   |
| Trade and other payables      | 9    | 86,540            | 346,966           |
| Borrowings                    | 10   | 495,093           | 200,044           |
| Employee benefits             | 11   | 217,441           | 184,715           |
| TOTAL CURRENT LIABILITIES     |      | <u>799,074</u>    | <u>731,725</u>    |
| NON-CURRENT LIABILITIES       |      |                   |                   |
| Borrowings                    | 10   | 3,994,851         | 1,809,828         |
| Employee benefits             | 11   | 20,312            | 16,972            |
| TOTAL NON-CURRENT LIABILITIES |      | <u>4,015,163</u>  | <u>1,826,800</u>  |
| TOTAL LIABILITIES             |      | <u>4,814,237</u>  | <u>2,558,525</u>  |
| NET ASSETS                    |      | <u>9,117,466</u>  | <u>9,084,962</u>  |
| <b>EQUITY</b>                 |      |                   |                   |
| Reserves                      | 12   | 30,005            | 311,835           |
| Retained earnings             | 13   | 9,087,461         | 8,773,127         |
| TOTAL EQUITY                  |      | <u>9,117,466</u>  | <u>9,084,962</u>  |

The accompanying notes form part of these financial statements.

**Newhope Baptist Church**

**Statement of Changes in Equity  
For the Year Ended 31 December 2018**

2018

**Balance at 1 January 2018**

Profit attributable to members of the parent entity

**Transactions with owners in their capacity as owners**

Transfers to/(from) reserves

**Balance at 31 December 2018**

|  | Croydon Family Fun Day Reserve | Elijah House Reserve | Mission Trip Reserve | Cafe Outdoor Space Reserve | Chinese Ministry Reserve | Seeds of Hope Budget 2018 Reserve | Seeds of Hope Budget 2019 Reserve | Seeds of Hope Budget 2020 Reserve |
|--|--------------------------------|----------------------|----------------------|----------------------------|--------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Balance at 1 January 2018                            | 2,000                          | -                    | 2,035                | 3,680                      | -                        | 18,094                            | 18,094                            | -                                 |
| Profit attributable to members of the parent entity  | -                              | -                    | -                    | -                          | -                        | -                                 | -                                 | -                                 |
| Transactions with owners in their capacity as owners | (2,000)                        | -                    | (2,035)              | (3,680)                    | -                        | (18,094)                          | 5,645                             | 5,645                             |
| Transfers to/(from) reserves                         | -                              | -                    | -                    | -                          | -                        | -                                 | 23,739                            | 5,645                             |
| <b>Balance at 31 December 2018</b>                   |                                |                      |                      |                            |                          |                                   |                                   |                                   |

2017

**Balance at 1 January 2017**

Profit attributable to members of the parent entity

**Transactions with owners in their capacity as owners**

Transfers to/(from) reserves

**Balance at 31 December 2017**

|  | Croydon Family Fun Day Reserve | Elijah House Reserve | Mission Trip Reserve | Cafe Outdoor Space Reserve | Chinese Ministry Reserve | Seeds of Hope Budget 2018 Reserve | Seeds of Hope Budget 2019 Reserve | Seeds of Hope Budget 2020 Reserve |
|--|--------------------------------|----------------------|----------------------|----------------------------|--------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Balance at 1 January 2017                            | 2,000                          | 1,816                | 5,575                | -                          | 3,445                    | -                                 | -                                 | -                                 |
| Profit attributable to members of the parent entity  | -                              | -                    | -                    | -                          | -                        | -                                 | -                                 | -                                 |
| Transactions with owners in their capacity as owners | -                              | (1,816)              | (3,540)              | 3,680                      | (3,445)                  | 18,094                            | 18,094                            | -                                 |
| Transfers to/(from) reserves                         | 2,000                          | -                    | 2,035                | 3,680                      | -                        | 18,094                            | 18,094                            | -                                 |
| <b>Balance at 31 December 2017</b>                   |                                |                      |                      |                            |                          |                                   |                                   |                                   |

The accompanying notes form part of these financial statements.

**Newhope Baptist Church**

**Statement of Changes in Equity  
For the Year Ended 31 December 2018**

2018

|   | Building for<br>God's Glory<br>Reserve | Youth<br>AUSLAN<br>Reserve | Persian<br>Ministry<br>Reserve | Croydon<br>Campus<br>Reserve | Retained<br>earnings | Total     |
|---|--|----------------------------|--------------------------------|------------------------------|----------------------|-----------|
| <b>Balance at 1 January 2018</b>                            | 265,317                                | 621                        | -                              | 1,994                        | 8,773,127            | 9,084,962 |
| Profit attributable to members of the parent entity         | -                                      | -                          | -                              | -                            | 32,504               | 32,504    |
| <b>Transactions with owners in their capacity as owners</b> |  |                            |                                |                              |                      |           |
| Transfers to/(from) reserves                                | (265,317)                              | -                          | -                              | (1,994)                      | 281,830              | -         |
| <b>Balance at 31 December 2018</b>                          | -                                      | 621                        | -                              | -                            | 9,087,461            | 9,117,466 |

2017

|   | Building for<br>God's Glory<br>Reserve | Youth<br>AUSLAN<br>Reserve | Persian<br>Ministry<br>Reserve | Croydon<br>Campus<br>Reserve | Retained<br>earnings | Total     |
|---|--|----------------------------|--------------------------------|------------------------------|----------------------|-----------|
| <b>Balance at 1 January 2017</b>                            | 2,257,629                              | 621                        | 2,000                          | 6,449                        | 6,534,706            | 8,814,241 |
| Profit attributable to members of the parent entity         | -                                      | -                          | -                              | -                            | 270,721              | 270,721   |
| <b>Transactions with owners in their capacity as owners</b> |  |                            |                                |                              |                      |           |
| Transfers to/(from) reserves                                | (1,992,312)                            | -                          | (2,000)                        | (4,455)                      | 1,967,700            | -         |
| <b>Balance at 31 December 2017</b>                          | 265,317                                | 621                        | -                              | 1,994                        | 8,773,127            | 9,084,962 |

The accompanying notes form part of these financial statements.



## Newhope Baptist Church

### Statement of Cash Flows

For the Year Ended 31 December 2018

|   | Note | 2018               | 2017        |
|---|------|--------------------|-------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>              |      |                    |             |
| Receipts from customers                                   |      | <b>3,176,266</b>   | 3,376,622   |
| Payments to suppliers and employees                       |      | <b>(3,094,541)</b> | (2,224,836) |
| Interest paid   |      | <b>(147,585)</b>   | (51,919)    |
| Net cash provided by/(used in) operating activities       | 17   | <b>(65,860)</b>    | 1,099,867   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>              |      |                    |             |
| Purchase of property, plant and equipment                 |      | <b>(2,363,628)</b> | (2,808,452) |
| Net cash provided by/(used in) investing activities       |      | <b>(2,363,628)</b> | (2,808,452) |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>              |      |                    |             |
| Proceeds from borrowings                                  |      | <b>4,550,000</b>   | 1,750,000   |
| Repayment of borrowings                                   |      | <b>(2,069,928)</b> | (173,879)   |
| Net cash provided by/(used in) financing activities       |      | <b>2,480,072</b>   | 1,576,121   |
| Net increase/(decrease) in cash and cash equivalents held |      | <b>50,584</b>      | (132,464)   |
| Cash and cash equivalents at beginning of year            |      | <b>174,886</b>     | 307,350     |
| Cash and cash equivalents at end of financial year        | 5    | <b>225,470</b>     | 174,886     |

The accompanying notes form part of these financial statements.

## Newhope Baptist Church

# Notes to the Financial Statements

## For the Year Ended 31 December 2018

Newhope Baptist Church is a not-for-profit Church, registered and domiciled in Australia. The financial report covers Newhope Baptist Church and its controlled entities ('the Group'):

- (1) NewHope Baptist Church ABN 76 994 595 338;
- (2) NewHope Baptist Church Tax Deductible Fund ABN 13 572 556 430;
- (3) NewHope Baptist Church School Building Fund ABN 15 482 454 134;
- (4) NewHope Baptist Church Religious Education in Government Schools Fund ABN 70 213 291 170;
- (5) Blackburn North Baptist Soccer Club; and
- (6) NewHope Custodian Inc (A0055295Z)

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Comparatives are consistent with prior years, unless otherwise stated.

### 1 Basis of Preparation

In the opinion of the Church Council the Church is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the church constitution.

### 2 Summary of Significant Accounting Policies

#### (a) Income Tax

The Church is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*. NewHope Baptist Church is registered with the Australian Charities and Not-for-profits Commission (ACNC). The following funds have deductibility gift recipient status:

NewHope Baptist Church Tax Deductible Fund ABN 13 572 556 430

NewHope Baptist Church School Building Fund ABN 15 482 454 134

NewHope Baptist Church Religious Education in Government Schools fund ABN 70 213 291 170

#### (b) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

#### (c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Group and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue from offerings and donations are recognised on receipt.

Interest revenue is recognised when received.

Other revenue is recognised when the right to receive the revenue has been established.

## Notes to the Financial Statements

### For the Year Ended 31 December 2018

#### 2 Summary of Significant Accounting Policies

**(c) Revenue and other income**

All revenue is stated net of the amount of goods and services tax (GST)

**(d) Goods and services tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a net basis.

**(e) Property, plant and equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

**Land and buildings**

Land and buildings are measured using the cost model.

**Plant and equipment**

Plant and equipment are measured using the cost model.

**Depreciation**

Plant and equipment are depreciated on a straight-line basis over the assets useful life to the Group (3-15 years), commencing when the asset is ready for use. Buildings and freehold land are not depreciated.

The Church Council reviews the written down value of assets annually on a class by class basis to ensure that they are not recorded above their recoverable amount. Only assets with a purchase price exceeding \$500 are capitalised. Assets purchased on corporate credit cards are not capitalised.

**(f) Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within cash and cash equivalents on the statement of financial position.

**(g) Employee benefits**

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

## Notes to the Financial Statements

### For the Year Ended 31 December 2018

#### 2 Summary of Significant Accounting Policies

##### (g) Employee benefits

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Church to the Baptist Union of Victoria for long service leave entitlements of pastoral staff and are charged as expenses as incurred. A provision for long service leave entitlements of non pastoral staff is recognised in accordance with AASB 119 employee benefits.

##### (h) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 31 December 2018, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

##### (i) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided not to early adopt these Standards.

#### 3 Critical Accounting Estimates and Judgments

The Church Council make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

##### **Key estimates - impairment of property, plant and equipment**

The councillors assess impairment at the end of each reporting period by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

##### **Key estimates - receivables**

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible.

##### **Key estimates - employee benefits**

As described in the accounting policies, employee benefits are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes.

**Newhope Baptist Church**

**Notes to the Financial Statements  
For the Year Ended 31 December 2018**

**4 Revenue**

|                                  | <b>2018</b>             | <b>2017</b>      |
|----------------------------------|-------------------------|------------------|
| - NewHope Local income           | <b>2,505,014</b>        | 2,005,874        |
| - NewHope Global income          | <b>101,145</b>          | 101,396          |
| - Soccer Club income             | <b>104,336</b>          | 110,095          |
| - Cafe Fund income               | <b>173,884</b>          | 168,234          |
| - Religion Education Fund income | -                       | 360              |
| - Building Fund income           | <b>237,990</b>          | 1,055,661        |
|                                  | <b><u>3,122,369</u></b> | <u>3,441,620</u> |

In Cafe fund income, there is \$21,163 (2017: \$26,573) of income that is earned from providing catering services to various ministries in the church. Similarly there is \$21,163 (2017 (\$26,573) of expenses that is incurred in NewHope Local expenses. These inter-fund transactions have not been eliminated in the preparation of these financial statements.

**5 Cash and Cash Equivalents**

|                          | <b>2018</b>           | <b>2017</b>    |
|--------------------------|-----------------------|----------------|
| Cash at bank and on hand | <b>225,470</b>        | 174,822        |
|                          | <b><u>225,470</u></b> | <u>174,822</u> |

**Reconciliation of cash**

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

|   | <b>2018</b>           | <b>2017</b>    |
|---|-----------------------|----------------|
| Cash and cash equivalents                     | <b>225,470</b>        | 174,886        |
| Bank overdrafts                               | -                     | (64)           |
| <b>Balance as per statement of cash flows</b> | <b><u>225,470</u></b> | <u>174,822</u> |

**6 Trade and Other Receivables**

|                   | <b>2018</b>          | <b>2017</b>    |
|-------------------|----------------------|----------------|
| Current           |                      |                |
| Trade receivables | <b>47,955</b>        | 78,014         |
| Deposits          | <b>500</b>           | 24,338         |
|                   | <b><u>48,455</u></b> | <u>102,352</u> |

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

**7 Inventories**

|             | <b>2018</b>         | <b>2017</b>  |
|-------------|---------------------|--------------|
| Current     |                     |              |
| At cost:    |                     |              |
| Inventories | <b>3,588</b>        | 3,601        |
|             | <b><u>3,588</u></b> | <u>3,601</u> |

## Newhope Baptist Church

### Notes to the Financial Statements

For the Year Ended 31 December 2018

#### 8 Property, plant and equipment

|  | 2018                     | 2017                     |
|--|--------------------------|--------------------------|
| LAND AND BUILDINGS                         |                          |                          |
| Land and buildings                         |                          |                          |
| At cost                                    | 13,305,642               | 11,182,271               |
| Total land and buildings                   | <u>13,305,642</u>        | <u>11,182,271</u>        |
| PLANT AND EQUIPMENT                        |                          |                          |
| Plant and equipment                        |                          |                          |
| At cost                                    | 830,812                  | 828,672                  |
| Accumulated depreciation                   | (482,264)                | (648,231)                |
| Total plant and equipment                  | <u>348,548</u>           | <u>180,441</u>           |
| <b>Total property, plant and equipment</b> | <u><b>13,654,190</b></u> | <u><b>11,362,712</b></u> |

At the balance date, the Bendigo Bank currently held the first registered mortgage over the properties situated in Blackburn North, VIC at:

NewHope Baptist Church properties:

- 3-7 Springfield Road
- 2 Dale Court
- 5 Dale Court
- 6 Blake Street
- 8 Blake Street

#### 9 Trade and Other Payables

|                                   | 2018          | 2017           |
|-----------------------------------|---------------|----------------|
| Trade payables and other payables | 86,540        | 346,966        |
|                                   | <u>86,540</u> | <u>346,966</u> |

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

#### 10 Borrowings

|                                     | 2018                    | 2017                    |
|-------------------------------------|-------------------------|-------------------------|
| Current                             |                         |                         |
| Secured liabilities:                |                         |                         |
| Bendigo loans                       | 495,093                 | 200,044                 |
| <b>Total current borrowings</b>     | <u><b>495,093</b></u>   | <u><b>200,044</b></u>   |
| Non-Current                         |                         |                         |
| Secured liabilities:                |                         |                         |
| Bendigo loans                       | 3,994,851               | 1,809,828               |
| <b>Total non-current borrowings</b> | <u><b>3,994,851</b></u> | <u><b>1,809,828</b></u> |
| <b>Total borrowings</b>             | <u><b>4,489,944</b></u> | <u><b>2,009,872</b></u> |

## Newhope Baptist Church

### Notes to the Financial Statements

For the Year Ended 31 December 2018

#### 11 Employee Benefits

|                   | 2018           | 2017           |
|-------------------|----------------|----------------|
| Current           |                |                |
| Employee benefits | 217,441        | 184,715        |
|                   | <u>217,441</u> | <u>184,715</u> |
| Non-current       |                |                |
| Employee benefits | 20,312         | 16,972         |
|                   | <u>20,312</u>  | <u>16,972</u>  |

#### 12 Reserves

|  | 2018          | 2017           |
|--|---------------|----------------|
| <b>Croydon Family Fun Day Reserve</b>    |               |                |
| Opening balance                          | 2,000         | 2,000          |
| Transfers out                            | (2,000)       | -              |
|  | <u>-</u>      | <u>2,000</u>   |
| <b>Mission Trip Reserve</b>              |               |                |
| Opening balance                          | 2,035         | 5,575          |
| Transfers out                            | (2,035)       | (3,540)        |
|  | <u>-</u>      | <u>2,035</u>   |
| <b>Cafe Outdoor Space Reserve</b>        |               |                |
| Opening balance                          | 3,680         | -              |
| Transfers in                             | -             | 3,680          |
| Transfers out                            | (3,680)       | -              |
|  | <u>-</u>      | <u>3,680</u>   |
| <b>Seeds of Hope Budget 2018 Reserve</b> |               |                |
| Opening balance                          | 18,094        | -              |
| Transfers in                             | -             | 18,094         |
| Transfers out                            | (18,094)      | -              |
|  | <u>-</u>      | <u>18,094</u>  |
| <b>Seeds of Hope Budget 2019 Reserve</b> |               |                |
| Opening balance                          | 18,094        | -              |
| Transfers in                             | 5,645         | 18,094         |
|  | <u>23,739</u> | <u>18,094</u>  |
| <b>Seeds of Hope Budget 2020 Reserve</b> |               |                |
| Opening balance                          | -             | -              |
| Transfers in                             | 5,645         | -              |
|  | <u>5,645</u>  | <u>-</u>       |
| <b>Building for God's Glory Reserve</b>  |               |                |
| Opening balance                          | 265,317       | 2,257,629      |
| Transfers out                            | (265,317)     | (1,992,312)    |
|  | <u>-</u>      | <u>265,317</u> |

## Newhope Baptist Church

### Notes to the Financial Statements

For the Year Ended 31 December 2018

#### 12 Reserves

|                               | 2018                 | 2017                  |
|-------------------------------|----------------------|-----------------------|
| <b>Youth AUSLAN Reserve</b>   |                      |                       |
| Opening balance               | 621                  | 621                   |
|                               | <u>621</u>           | <u>621</u>            |
| <b>Croydon Campus Reserve</b> |                      |                       |
| Opening balance               | 1,994                | 6,449                 |
| Transfers out                 | (1,994)              | (4,455)               |
|                               | <u>-</u>             | <u>1,994</u>          |
| <b>Total</b>                  | <u><u>30,005</u></u> | <u><u>311,835</u></u> |

##### (a) Seeds of Hope Budget 2019 Reserve

This balance represents 1/3 of specified giving in 2017 and 2018 to the Seeds of Hope campaign. The vision for Seeds of Hope is a three year stewardship focus for a Mega Harvest and will invest in five key areas: (1) Multi-Cultural Outreach, (2) Campuses Outreach, (3) Communities of Hope, (4) Family Outreach and (5) Leadership Development.

##### (b) Seeds of Hope Budget 2020 Reserve

This balance represents 1/3 of specified giving in 2018 to the Seeds of Hope campaign. The vision for Seeds of Hope is a three year stewardship focus for a Mega Harvest and will invest in five key areas: (1) Multi-Cultural Outreach, (2) Campuses Outreach, (3) Communities of Hope, (4) Family Outreach and (5) Leadership Development.

##### (c) Youth AUSLAN Reserve

The Youth AUSLAN Reserve relates to a grant received to fund sign language translators for deaf children at Youth activities.

#### 13 Retained Earnings

|   | 2018                    | 2017                    |
|---|-------------------------|-------------------------|
| Retained earnings (accumulated losses) at the beginning of the financial year | 8,773,127               | 6,534,706               |
| Net profit attributable to members of the church                              | 32,504                  | 270,721                 |
| Transfers in  | 281,830                 | 1,967,700               |
| <b>Retained earnings at end of the financial year</b>                         | <u><u>9,087,461</u></u> | <u><u>8,773,127</u></u> |

#### 14 Support of NewHope Medical

NewHope Medical Ltd is a new initiative of the NewHope Baptist Church which aims to provide comprehensive care to individuals, as well as promote health, wellbeing and disease prevention. As this initiative is in its early stages, the first year of operations in the 2018 financial year resulted in a net deficit to the company. The Church Council of NewHope Baptist Church has committed to provide financial support to NewHope Medical Ltd to enable the company to continue its operations and to meet its obligations as and when they call due, until such time that NewHope Medical Ltd is able to fund its own operations.



## Newhope Baptist Church

### Notes to the Financial Statements For the Year Ended 31 December 2018

#### 15 Auditors' Remuneration

|  | 2018         | 2017         |
|--|--------------|--------------|
| Remuneration of the auditor rdl.accountants for: |              |              |
| - auditing or reviewing the financial statements | 9,488        | 9,188        |
|  | <u>9,488</u> | <u>9,188</u> |

#### 16 Contingencies

In the opinion of the Church Council, the Church did not have any contingencies at 31 December 2018 (31 December 2017:None).

#### 17 Cash Flow Information

##### (a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

|  | 2018            | 2017             |
|--|-----------------|------------------|
| Net profit attributable to members of the church     | 32,504          | 270,721          |
| Non-cash flows in profit:                            |                 |                  |
| - depreciation                                       | 48,722          | 36,541           |
| - write-off of capitalised expenditure               | 23,428          | 567,000          |
| Changes in assets and liabilities:                   |                 |                  |
| - (increase)/decrease in trade and other receivables | 53,897          | (64,998)         |
| - (increase)/decrease in inventories                 | 13              | (27)             |
| - increase/(decrease) in trade and other payables    | (260,490)       | 283,344          |
| - increase/(decrease) in employee benefits           | 36,066          | 7,286            |
| Cashflows from operations                            | <u>(65,860)</u> | <u>1,099,867</u> |

#### 18 Events Occurring After the Reporting Date

The financial report was authorised for issue on 06 May 2019 by the board of directors.

The properties situated in 6 Blake Street and 8 Blake Street Blackburn North VIC were sold and registered mortgages released by Bendigo Bank.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

#### 19 Statutory Information

The registered office and principal place of business of the church is:

Newhope Baptist Church  
3 Springfield Road  
BLACKBURN NORTH VIC 3130

**Newhope Baptist Church**

**Councillors' Declaration**

In the opinion of the Church Council the financial report as set out on pages 3 to 15:

1. Present fairly the financial position of Newhope Baptist Church as at 31 December 2018 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that Newhope Baptist Church will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Church Council and is signed for and on behalf of the Council by:

Council member .....  
  
Fiona Haymes

Council member .....  
  
Surette Southwood

Dated this 6<sup>th</sup> day of MAY 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWHOPE BAPTIST CHURCH

**Report on the Financial Report**

*Opinion*

We have audited the accompanying financial report, being a special purpose financial report, of NewHope Baptist Church (the church), which comprises the Church Council's report, the statement of financial position as at 31 December 2018, the statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the members of the Church Council.

In our opinion, the financial report presents fairly, in all material respects, the financial position of NewHope Baptist Church as at 31 December 2018 and its financial performance for the year then ended in accordance with the accounting policies described in Note 2 to the financial statements.

*Basis for Opinion*

The Church Council of NewHope Baptist Church is responsible for the preparation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements the church's constitution and is appropriate to meet the need of the members. The Church Council's responsibility also includes such internal control as the Church Council determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

*Basis of Accounting*

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist NewHope Baptist Church to meet the requirements of members. As a result, the financial report may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

*Church Council's Responsibility for the Financial Report*

The Church Council members are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the needs of the members. The Church Council's responsibility also includes such internal control as the Church Council members determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the church's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Church Council members either intend to liquidate the church or to cease operations, or have no realistic alternative but to do so.

## *Auditor's Responsibility for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Joel Hernandez, CA  
rdl.accountants

7 May 2019  
Blackburn, Victoria